



Department of Justice

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TWO SOUTHERN OHIO RESIDENTS INDICTED ON FEDERAL TAX CHARGES

CINCINNATI – Homer Lee Richardson of Loveland, Ohio, and Robert C. Welti, of Ripley, Ohio, were indicted by a federal grand jury in Cincinnati, Ohio, on ten charges of criminal violations of federal tax law.

Gregory G. Lockhart, United States Attorney for the Southern District of Ohio, Assistant Attorney General Nathan J. Hochman, U.S. Department of Justice Tax Division and Internal Revenue Service Criminal Investigation Division Chief Eileen Mayer announced the indictment today.

Defendants Richardson and Welti were each charged with one count of corruptly endeavoring to obstruct the due administration of the Internal Revenue Code. In addition, Welti and Richardson were jointly charged with aiding and assisting in the preparation of a false tax return. Defendant Welti was also individually charged with four additional counts of aiding and assisting in the preparation of false tax returns. Defendant Richardson was also charged with three counts of filing false tax returns.

According to the indictment, Defendant Richardson and Defendant Welti each entered into an agreement to market and promote membership in Aegis, an organization located in Illinois. As part of its membership services, Aegis provided sham trusts to taxpayers. Aegis members utilized these trusts to file false federal tax returns that fraudulently understated the members' income.

The Aegis system also included an "Audit Arsenal" which was designed to assist Aegis members in obstructing Internal Revenue Service audits. According to the indictment, both Richardson and Welti endeavored to impede the IRS by obstructing the IRS audits of Aegis members.

"The government is committed to investigating and prosecuting those who attempt to obstruct the internal revenue laws or assist others in doing so," said Nathan J. Hochman, Assistant Attorney General of the Justice Department's Tax Division.

"Crimes like these increase the burden for honest taxpayers who comply with the laws," Lockhart said. "I want to commend the IRS agents and Justice Department Tax attorneys for their efforts in this case."

"Our system of taxation depends on voluntary compliance by each and every citizen," said Internal Revenue Service Criminal Investigation Division Chief Eileen Mayer. "The IRS and Department of Justice must and will be vigilant in identifying and prosecuting alleged actions by individuals to circumvent the tax system through sham operations like Aegis."

Each count of the indictment carries a maximum penalty of up to three years of imprisonment and a \$250,000 fine. Welti and Richardson will be arraigned on the indictment at 1:30 p.m. on November 19, 2008 before U.S. Magistrate Judge Timothy S. Hogan.

Assistant Attorney General Hochman commended the IRS Special Agents in the case, as well as Tax Division attorneys Rita Calvin and Thomas Voracek, who are prosecuting the case.

An indictment is only a charge and is not evidence of guilt. The defendants are entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.

Additional information about the Justice Department's Tax Division and its enforcement efforts may be found at <http://www.usdoj.gov/tax>.

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